

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

April 12, 2005

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Wayne H. Western, Environmental Scientist III, Bonding

RE: Pace Canyon Fan Portal, Canyon Fuel Company, Dugout Canyon, C/007/0039, Task ID #2193

SUMMARY:

The Division received an amendment in January 2005 and supplemental information in April 2005 for the Pace Canyon fan portal area. This memo covers the bonding issues. This proposed project would increase the disturbance area by 2.7 acres. The acreage and section numbers do not include transportation or power-line corridors.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

During the analysis of task 2913, Pace Canyon fan portal, the Division evaluated the reclamation cost estimate. The Division determined that the reclamation for the entire permit area would cost \$2,400,000 in 2007 dollars. The current bond amount is \$2,400,000 so no change to the bond is needed.

TECHNICAL MEMO

Direct reclamation costs for the Pace Canyon Portal are as follows:

- Demolition\$55,231
- Earthwork.....\$19,979
- Revegetation\$7,358
- Total\$82,568

Findings:

The information in the bonding section of the MRP is adequate to meet the minimum requirements of this section.

RECOMMENDATIONS:

The Division should approve the amendment.